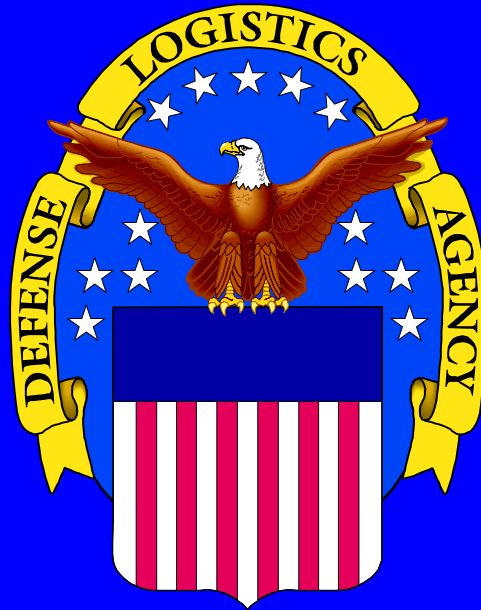
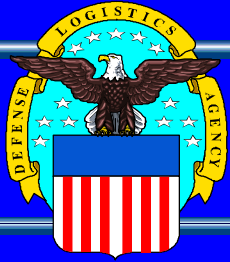


Defense Contract Management Command



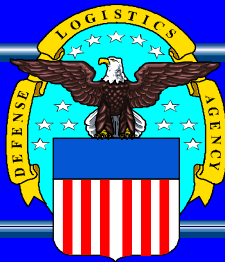
Commander's Conference
Tysons Corner, VA
6 - 8 May 1997

Single Process Initiative

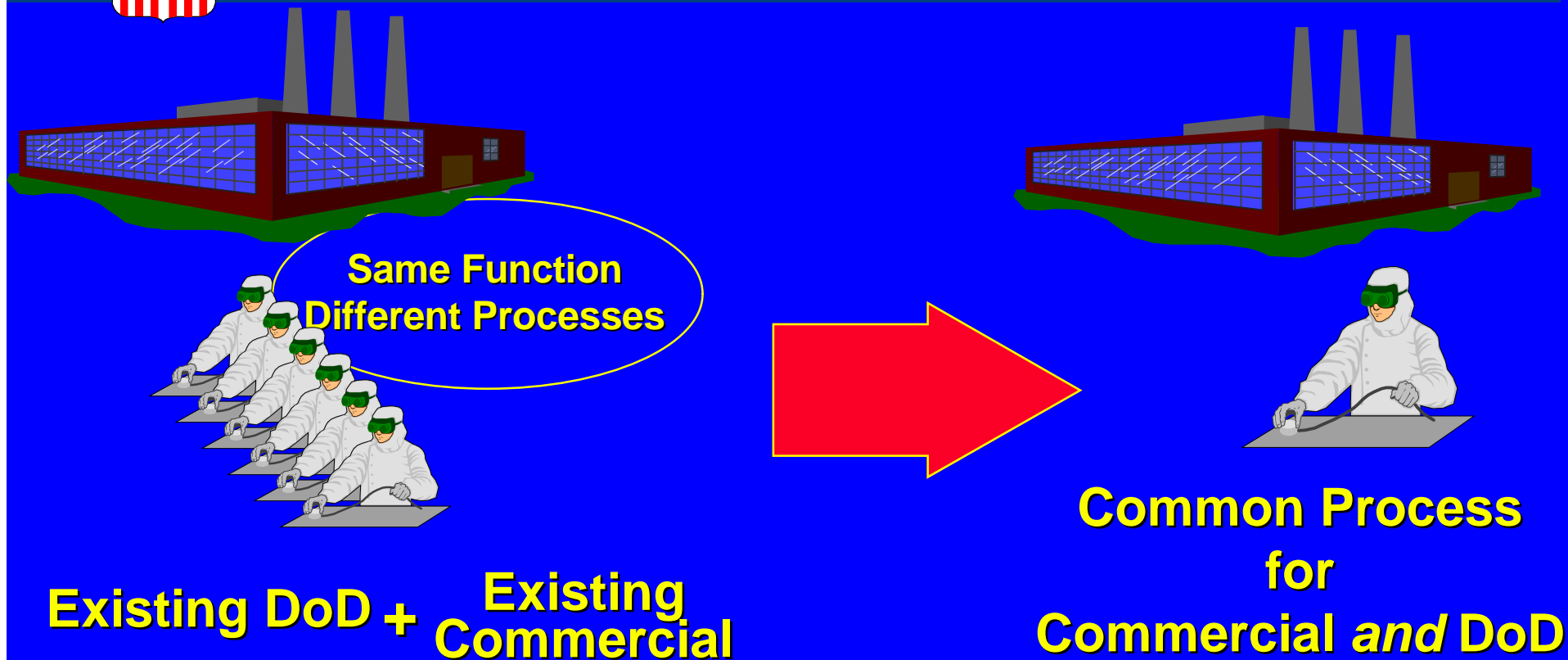


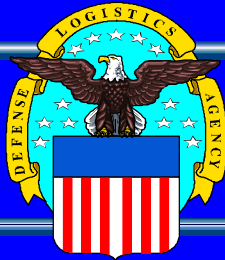
Agenda

- **Overview**
- **Program Status**
- **Strategic Focus**
- **We're Making Progress**
- **Next Steps--*Raising The Bar***



SPI Concept





Program Status

	<u>Last November</u>	<u>Now</u>	<u>% +/-</u>
Contractors	122	171	40%
Processes Sub'd	564	820	45%
Processes Mod'd	204	414	103%
Avg Cycle Time	112	131	17%
Cost Sav/Avoid	\$25m	\$70m	180%

This is progress but...

Is it where we want to be?



What Do Our Metrics Tell Us?

➤ **Number of Processes are Growing.**

THIS IS GOOD... IS IT GOOD ENOUGH?

➤ **Here's What They DON'T Tell Us**

- **Are We Pushing for More Activity--Is Rate Acceptable?**
- **Who's Participating--Are They the Right Players?**
- **What Processes Are Being Submitted--Are They the Right Ones?**
- **Are We Capturing Cost Benefits--Is It Enough?**
- **Are We Meeting Our Cycle Time Goal When We Should Be?**

e.g., →

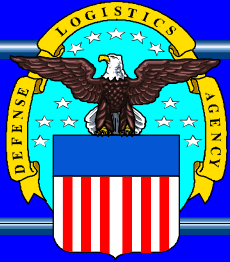


Overage Concept Papers

- **Services and Districts Prioritizing and Reducing Overage CPs**
- **Started in Feb 97 with 180+ Overage CPs**
- **Today there are 79 Overage CPs**
 - **54 Technical Issues (e.g., unresolved technical concerns)**
 - **25 Administrative Issues (e.g., coordinating mod language)**



Are We Meeting 120 Goal When We Should Be?



Strategic Focus

- **Improving Metrics (Measuring/Reporting Results)**
- **Increasing Contractor Participation**
- **Increasing Supplier Involvement**
- **Targeting High Impact Process**
- **Allowing SPI on New Procurements**



Measuring SPI Results

- **Current Metric Needs Refinement**
- **Must Reflect Program Goals**
 - **Identifying High \$ Volume DoD Contractors**
 - **Increasing Contractor Participation**
 - **Targeting High Payoff Processes**
 - **Achieving Cost Savings/Avoidances**
- **Tie-in 120 Days - to Help *not* Hinder Process**



Reporting Results

- **Goal:** Enhance Effectiveness
- **Need for Data Analysis Tool**
- **Database Improvements**
 - **Allow Field Offices to Input/Access SPI Data**
 - **Increase availability of Information**
 - **Complete Enhancements - Deploy by 1 Aug 97**

We'll Keep You Posted...



Contractor Participation

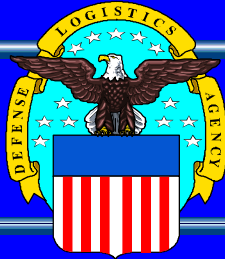
- **Need to Increase Participation - *Go For Bucks***
- **Target is Top Defense Contractors**
- **31 Engaged (118 Facilities) Representing 66% of Top Defense Contractor Sales \$\$\$**
- **DCMC Districts Executing Marketing Plans**

Need to Push *Harder* - Raise the Bar



Subcontractor/Supplier Involvement

- **Subs/Suppliers Account for Over 60% of Product Cost**
- **Must Be Involved to Maximize SPI Potential**
- **Barriers Hindering Participation**
 - **Primes Flow Down Requirements**
 - **Lack of Awareness**
 - **Initial Investment Too High**
- **Dr. Kaminski's 3 Sep Memo - *A First Step!***
- **Second Prime/Sub IPT Recommendation**
 - **Additional Tool ➡ *"Enabling Approach"***



“Enabling Approach”

- **Subcontract Enabling Provision Inserted Into Existing Contracts Via SPI**
- **Allows Primes to Accept Previously Agreed to SPIs if Technically OK**
- **LMTAS - First Success Story**
 - **Provides a Baseline to Improve/Refine**
 - **No Additional Cost to Government**
 - **CBA Regardless of Consideration**
 - **Notification to Government When Accepting Sub's SPI**
 - **Exact Language Developed by Management Council**

Industry Associations Engaged to Facilitate Prime/Sub Issues



Targeting High Impact Processes

- **Identify High Impact Processes within Industry Sectors**
- **Channel Available Resources Toward High Cost/Benefit Areas**
- **IPT Formed March 1997**
 - **Prototype Sector - Electronics/Communications**
 - **Narrowed to Navigation/Radar Sub-Sector**
 - **Collecting Data, Defining Sub-Sector**
 - **Industry Will Validate Data**



SPI and New Procurements

- **Future Procurements Must Allow Use of Approved Single Processes**
- **Navy and NASA Have Issued Contract Language Permitting the Use of Approved Single Processes**
- **Communication IPT Recommended DoD-Wide Policy**



**Policy Memo Signed 30 Apr,
Proposed DFARS Case In-Progress**



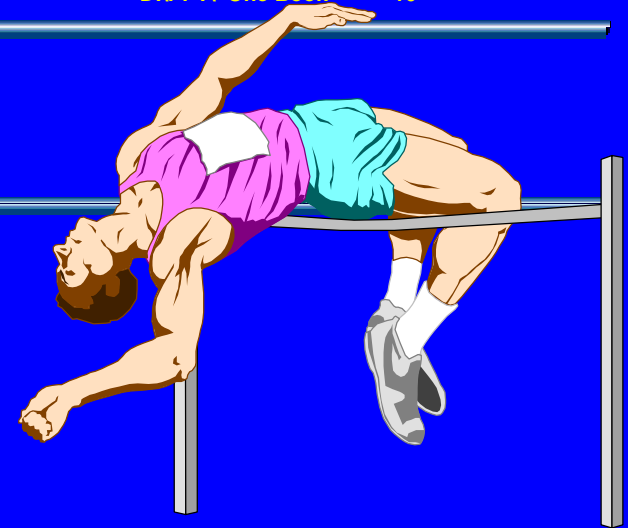
We're Making Progress

- **Removing Hurdles**
 - **Sub/Supplier SPI Enabling Provision**
 - **New Procurement Policy**
- **Getting Industry Associations On-Board to Advocate Supplier Issues**
- **Expanding Awareness Tools**
 - **VTC**
 - **Management Council Awards**
 - **Deskbook**
 - **One Book Chapter**

**Activity Steadily
Increasing**



Next Steps



- **Increase Strategic Attention**
- **Adjust Metrics to Reflect Program Goals**
- **Expand Access to SPI Management Information**
- **Enhance Effectiveness thru Data Driven Analysis**
- **Target High Cost/Benefit Areas**

Raising the Bar!